

## **Pool Re's modernised reinsurance scheme to drive market innovation and strengthen terrorism resilience**

**1 April 2025, London** - Pool Re, Great Britain's government-backed terrorism reinsurer, is pleased to announce the successful completion of its transition to a modernised catastrophe treaty reinsurance scheme ('the new scheme').

With the support of its Members, regulators, and HM Treasury, the new scheme - originally announced in March 2024 - will enable Pool Re to serve its Members better by addressing the evolving and increasingly complex terrorism threat landscape.

The changes will provide Members with greater freedom to underwrite commercial property damage and business interruption caused by acts of terrorism in line with their own risk appetite and underwriting strategy. Additionally, the new scheme will provide Members with greater flexibility to price risks for policyholders, which we hope will encourage higher adoption among smaller businesses and those currently without protection.

The new arrangements, however, do not involve any changes to the fundamental rules of Pool Re's scheme or the terrorism coverage provided, which will remain unlimited, excess of a Member's retention.

The key benefits of the redesigned model for Members are:

- **Adapting to the changing nature of terrorism risk** – Leveraging advanced technology to model and price terrorism risk with greater sophistication, Pool Re is better able to serve its Members and help them to address both low-sophistication, easier-to-model attacks as well as more complex threats.
- **Increasing take-up of terrorism cover** – The new treaty will allow Members to underwrite and distribute terrorism cover more easily and in line with their own risk appetite and strategy, removing unnecessary bureaucracy.
- **Returning risk (and premium) to the insurance market** – Pool Re's new bifurcated approach offers Members greater flexibility by allowing them to select tailored retentions for non-conventional terrorism risks, which comprise Chemical, Biological, Nuclear, Radiological (CBRN) and Cyber physical damage; and conventional risks.

**Tom Clementi, Pool Re Chief Executive Officer, said:** "At Pool Re, we are transforming our reinsurance scheme to serve our Members better in the face of an evolving threat landscape and a changing insurance marketplace. These changes are designed to create opportunities for the insurance sector to take greater ownership of terrorism risk and to normalise the market over time.

"This new scheme reflects our commitment to resilience and adaptability by delivering the sophistication, simplicity and flexibility required to achieve our goal of protecting businesses as well as the British taxpayer against an ever changing terrorism threat."

**Jonathan Gray, Chief Underwriting Officer, added:** "This transformation was made possible through strong collaboration with our Members, who played a crucial role in shaping the new scheme. In this first renewal, Member insurance companies have shown an increased interest in refining their risk appetite for terrorism, with many assuming more risk through higher retentions."

**ENDS**

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### **About Pool Re**

Pool Re is the insurance industry's mutual for reinsuring terrorism risk in Great Britain and an Arm's Length Body of HM Treasury (HMT). It exists to protect Britain's economy and safeguard society and livelihoods from acts of terrorism.

Pool Re offers commercial property reinsurance cover for losses caused by terrorism on an "All Risks" basis, including chemical, biological, radiological and nuclear (CBRN), damage caused by remote digital interference and non-damage business interruption. It offers a financial safety net for more than £2 trillion of assets belonging to businesses of all sizes.

Pool Re has a reserve fund built up over 30 years by investing insurers' premium contributions in preparation for the unthinkable. Pool Re is also backed by an unlimited HMT loan facility which underpins its work to support the resilience of the British economy.

For more information, visit [www.poolre.co.uk](http://www.poolre.co.uk)